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Opening Statement

Chairman Michael G. Oxley
Committee on Financial Services

Subcommittee on Financial Institutions and Consumer Credit

H.R. 3951

Financial Services Regulatory Relief Act

April 25, 2002

I would like to thank Chairman Bachus for holding this, the second hearing on the issue of regulatory relief.

I would also like to commend Rep. Capito and Rep. Sandlin for working together to introduce H.R. 3951, the Financial Services Regulatory Relief Act of 2002 – a balanced and long overdue piece of legislation that addresses the unnecessary regulatory burdens currently faced by insured depository institutions. I hope this bill will be the first of many to remove needless and outdated laws and regulations from the books.

This Committee and the Congress have placed an incredible amount of responsibility into the hands of the private sector in an effort to stop terrorists. The financial services industry bears the brunt of this regulatory responsibility in Title III of the PATRIOT Act, which went through this Committee last October. The time and cost required to comply with the new laws and regulations compel us to help the industry find ways to pay for these efforts.

I am pleased that Rep. Capito has introduced a bill that will repeal some of the regulations that have become ineffective or outdated and that will lessen the regulatory and financial burden of those financial institutions that have worked so hard to help in the fight against terrorism.

This legislation is a compilation of recommendations provided, at my request, from federal and state financial regulators that would provide regulatory relief for insured depository institutions. The purpose is to alter or eliminate statutory provisions to lessen the regulatory burden and improve productivity, as well as make needed technical corrections to current statutes. H.R. 3951, the Financial Services Regulatory Relief Act of 2002, does this by providing regulatory relief for banks, savings associations, credit unions and federal financial regulatory agencies.

I am also very pleased that a credit union provision I cosponsored with my good friend Rep. Bob Ney was included in Section 301 of the bill. I must say I was disappointed to see that both ACB and NAFCU have joined in opposing this pro-credit union provision. I think that the Ney-Oxley legislation would help a small

number of privately-insured credit unions by allowing them to apply to become a member of a Federal Home Loan Bank, and as the state credit union supervisors testified at our last hearing, it would present no safety and soundness risk. It is fully consistent with current federal law, for example, most credit unions and even insurance companies can already become Home Loan Bank members. It is a common sense provision and I am pleased it is a part of this important legislation.

This is an excellent piece of legislation that I am proud to be a co-sponsor of, and I look forward to hearing from the industry today on their perspectives and input.

I look forward to working with Mr. Bachus, Ms. Capito and Mr. Sandlin as we go forward in the legislative process. Thank you.